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RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

January 17, 2005

2005 JAN 18 AM 11:11
By Federal Express Delivery

Jeff S. Jordan, Supervisory Attorney
Complaints Examination & Legal Administration
Federal Election Commission
999 E Street, NW
Washington DC 20463

Re: MUR 5632; Response of the Iosco County Republican Party ("ICRP")

Dear Mr. Jordan:

We are in receipt of your letter and its attachments in the above-referenced matter. Attached for your records is the Statement of Designation of Counsel authorizing the undersigned to act as counsel in this matter.

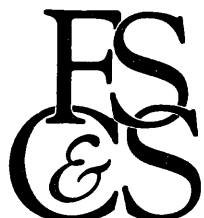
We have also reviewed the complaint (the "Complaint") filed by Mr. Mark Brewer on or about December 15, 2004. The Complaint references an advertisement publically identified as being sponsored by the ICRP and the Complaint correctly states:

"The advertisement was federal election activity as defined in the FECA."

The advertisement qualifies as Federal Election Activity ("FEA") because it is: (1) generic campaign activity; and (2) is a public communication referring to a clearly-identified federal candidate. 11 CFR § 100.24(b).

However, after correctly identifying the advertisement as FEA, the Complaint (without explanation) argues that the advertisement somehow constitutes a "prohibited in-kind contribution." Specifically, the Complaint confuses the term "FEA" with "in-kind contribution" in order to attempt to allege a violation. A disbursement for FEA is certainly not a contribution. For example, a local party committee (such as the ICRP) is allowed to spend \$5,000 in a calendar year for FEA without triggering the registration requirements of the Federal Election Campaign Act, but only \$1,000 in a calendar year for contributions or expenditures without triggering the registration requirements of the Federal Election Campaign Act. 11 CFR § 100.5(c). If a disbursement for FEA was synonymous with "contribution", as the Complaint indicates, then the \$5,000 threshold for FEA would not exist.

Since the advertisement referred to a clearly-identified federal candidate, it must be financed with 100% federal funds. 11 CFR § 300.32. Attached is a copy of the check for the advertisement - in the astronomical sum of \$158.44 - which was drawn on the account of the ICRP in funds that comply with the prohibitions and limitations of the Federal Election Campaign Act. The ICRP's payment of \$158.44 does not trigger registration with the



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Federal Election Commission, so there are no reporting obligations associated with the advertisement.

Moreover, even accepting the unsupported leap of logic offered by the Complaint that the advertisement is somehow a contribution, the advertisement would not be an "in-kind contribution" but an "independent expenditure" because the advertisement was not made in coordination with any candidate or authorized committee or agent of a candidate. 11 CFR § 100.16. And since the advertisement cost an eye-popping \$158.44, the \$250 calendar year limit to file FEC Form 5 was not reached. 11 CFR § 109.10(b). So again, even if classified as an independent expenditure (which would not be a correct classification since there was no express advocacy contained in the advertisement), there would be no reporting obligations associated with the advertisement.

Accordingly, the Complaint must be dismissed. The advertisement (which was identified at the bottom of the advertisement as being sponsored by the ICRP) was not a "prohibited in-kind contribution" and there were no reporting obligations associated with the advertisement.

Sincerely,

FOSTER, SWIFT, COLLINS & SMITH, P.C.



Eric E. Doster

EED:mfp

enclosure

cc w/encl: Iosco County Republican Party

FS
&S

26044134653

STATEMENT OF DESIGNATION OF COUNSEL

Please use one form for each respondent

FEDERAL ELECTION COMMISSION
OFFICE OF THE CLERK
JAN 18 11:14

MUR 5632

NAME OF COUNSEL: Eric Doster

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The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

William C. Reilly

Print Name

1/4/2005
Date

William C Reilly
Signature

Chair
Title

RESPONDENT'S NAME: Iosco County Republican Committee

ADDRESS: P.O. Box 116

Tawas City, MI 48764

Contact person: Maureen Rudel, Treasurer

TELEPHONE: HOME

BUSINESS()

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